



**STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
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HONOLULU, HAWAII 96813-5097**

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IN REPLY REFER TO:

January 14, 2010

**2009 ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION TO THE
HAWAII STATE LEGISLATURE PURSUANT TO
ACT 226, SESSION LAWS OF HAWAII 2008**

I. PURPOSE OF REPORT

This report is prepared and submitted pursuant to the provisions of Act 226, Session Laws of Hawaii 2008. Act 226 permits the imposition and collection of a customer facility charge (hereinafter "CFC") by the Department of Transportation on rental car transactions at state airports. Section 11 of the Act requires the Department of Transportation to submit an annual report to the Legislature relating to its activities under the Act:

"The department of transportation shall submit at least annual reports to the legislature relating to its activities for the purposes of this Act. The reports shall provide information and documents including, but not limited to:

- (1) A timeline for any expenditures and a description of any projects relating to the expenditures;
- (2) A timeline for the commencement date and completion date for any project;
- (3) A description with an appropriate plan or drawing identifying the location of any project;
- (4) Cost estimates for each project, including but not limited to planning, design, purchase, and construction costs and a timeline for the expenditures; and
- (5) The priority ranking for each project with commencement and completion dates.

The annual report shall be submitted to the legislature no later than twenty days prior to the convening of the regular session of the legislature, beginning with the regular session of 2009, and continuing through the regular session of 2018."

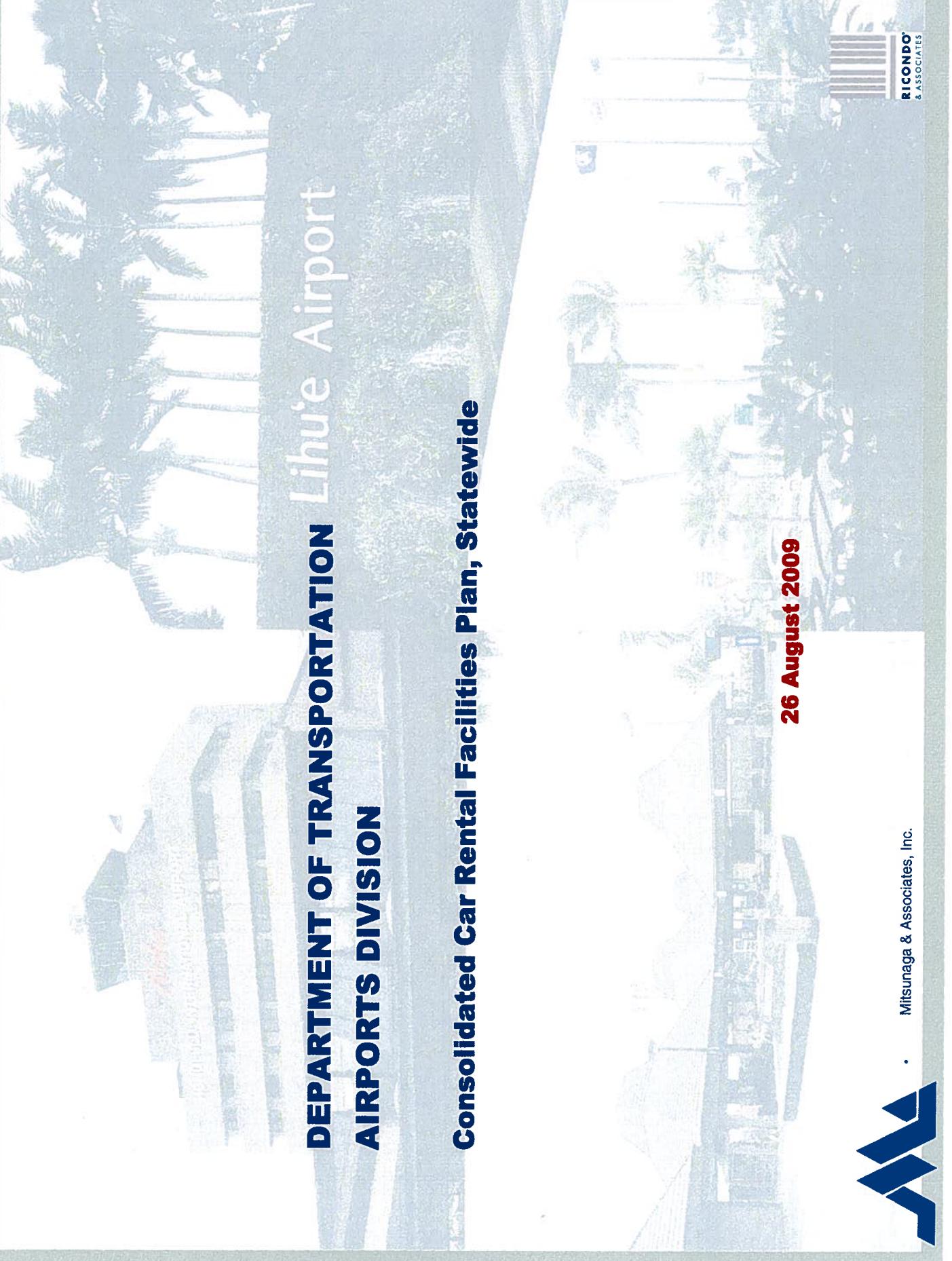
II. STATUS OF AIRPORTS DIVISION ACTIVITIES AND TASKS IDENTIFIED IN THE CALENDAR YEAR 2008 REPORT TO THE LEGISLATURE (*Notations in parenthesis reference relevant Section numbers of the Act*)

- a. **Plan and design Kahului overflow storage lot. (Section 10)**
Status: Kim and Shiroma Engineers, Inc, selected as architectural consultant. Planning and design has commenced.
- b. **Neighbor Island rental car concession bids. (Section 2)**
Status: Bids were received by the State on February 24, 2009. Facility locations finalized for the successful bidders at each airport. Effective date of new concession and lease agreements is June 1, 2009.
- c. **Identification, analysis and selection of potential sites for new rental car facilities and/or improvements to existing rental car facilities at Honolulu, Kahului, Kona, and Lihue. (Section 11)**
Status: Completed August 2009. See Consolidated Rental Car Facilities Plan, Statewide prepared by Mitsunaga & Associates, Inc and Ricondo & Associates, Inc, dated August 26, 2009, attached.
- d. **Develop preliminary facility concepts and descriptions, and preliminary project cost estimates (including but limited to planning, design, purchase and construction costs) for each project. (Section 11)**
Status: Design consultant for HIA consolidated rental car facility selected and under contract. Airports Division and rental car industry held twice monthly conceptual design meetings. The rental car industry and the Airports Division are in agreement on a preliminary conceptual design for the facility. See attached for preliminary concepts, descriptions, and cost estimates for Honolulu, Kahului, Lihue and Hilo facilities.
- e. **Prioritize order of development of facilities for each airport with projected commencement and completion dates. (Section 11)**
Status: Completed August 2009. Rental car industry is in agreement on priority for development of facilities statewide. See attached.
- f. **Develop schedule of CFC sources and uses and cash flows based upon current CFC collection data, and projected need for expenditures. (Section 11)**
Status: Completed August 2009. See attached.
- g. **Develop comprehensive and integrated timeline and tasks for commencement and completion for all rental car facility projects; projected expenditures for all projects. (Section 11)**
Status: Completed August 2009. See attached.

- h. **Quarterly update meetings with Hawaii rental car industry representatives (Section 2)**
Status: At the request of the rental car industry, the Airports Division and the Hawaii rental car industry representatives are meeting on a monthly basis. Meetings commenced February 2009.
- i. **Program manager selected for statewide rental car facilities development program.**

III. ACTIVITIES AND TASKS FOR CALENDAR YEAR 2010

- a. **Customer Facility Charge.** Seek authority/approval and then implement CFC rate of \$4.50 per transaction day, in order to fund the full statewide rental car facilities development program.
- b. **Kahului Overflow Storage Lot.** Complete the design and commence construction.
- c. **Honolulu Consolidated Facility.** Complete design and commence construction. Issue Request for Bids from rental car companies for the right to operate in the new facility.
- d. **Kahului Consolidated Facility.** Issue Request for Proposals for facility design; select design team; commence conceptual design.
- e. **Lihue Consolidated Facility.** Complete purchase of the land parcel identified for the site of the facility.



DEPARTMENT OF TRANSPORTATION
AIRPORTS DIVISION

Consolidated Car Rental Facilities Plan, Statewide

26 August 2009

Mitsunaga & Associates, Inc.



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Honolulu International Airport

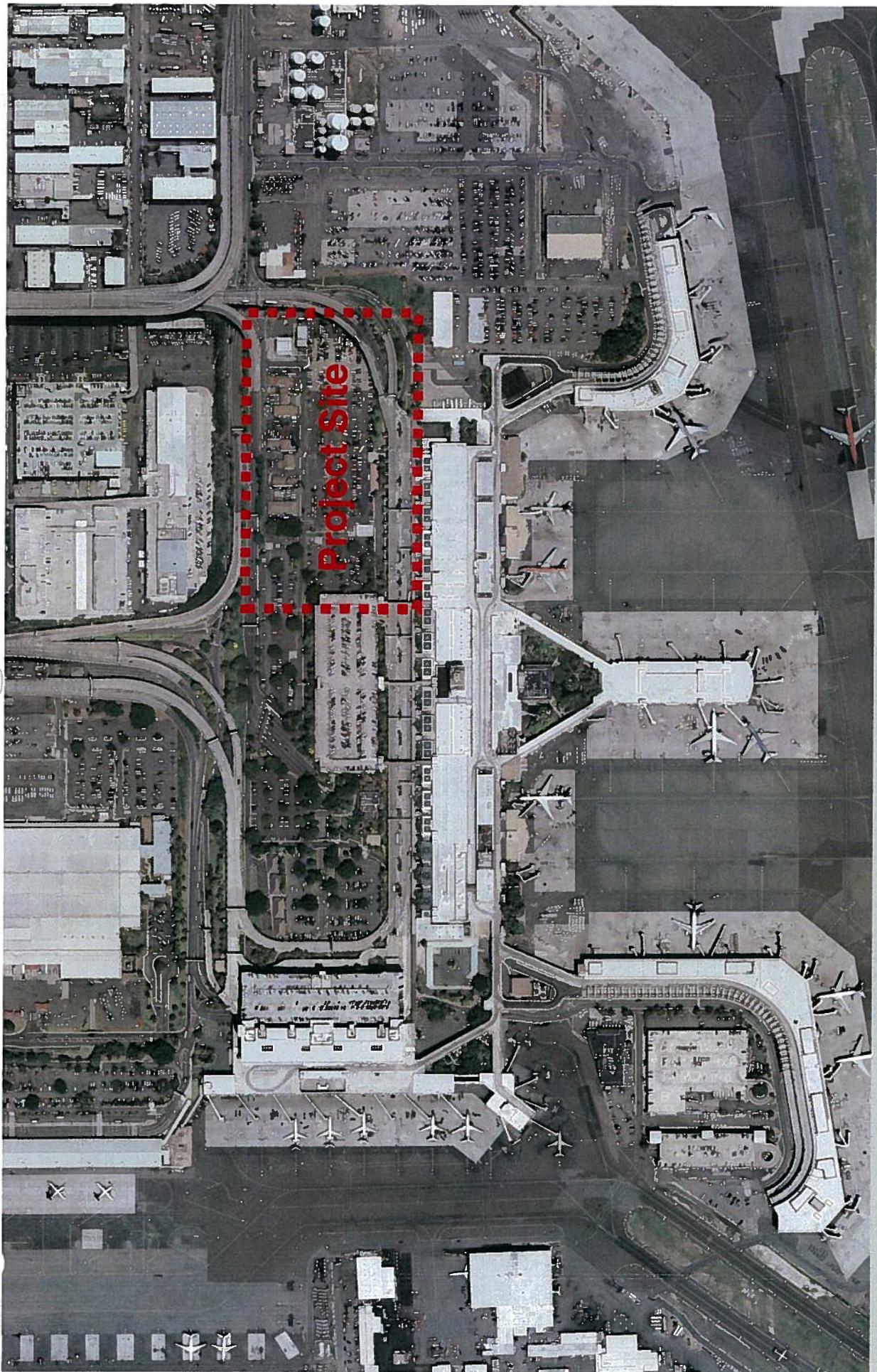
Conceptual Summary

- Proposed project site location is at the existing car rental return lot.
- Scheme assumes maintaining existing QTA facilities & using portions of the existing OST parking structure for Ready/Return spaces during construction.
- Conceptual scheme is a structured QTA facility with 4 levels of ready/return spaces & a 2 level QTA structure).
- Bus shuttling has been incorporated into the scheme as this will be the anticipated mode of transporting customers to & from the CONRAC facility.
- Proposed renting customer egress will utilize the existing airport viaduct along the terminal side, which is at the existing Departure Level.
- Proposed returning customer ingress will utilize the existing return route, which is along the existing QTA area.
- Anticipate construction phasing due to the preference to maintain existing QTA facilities during construction.



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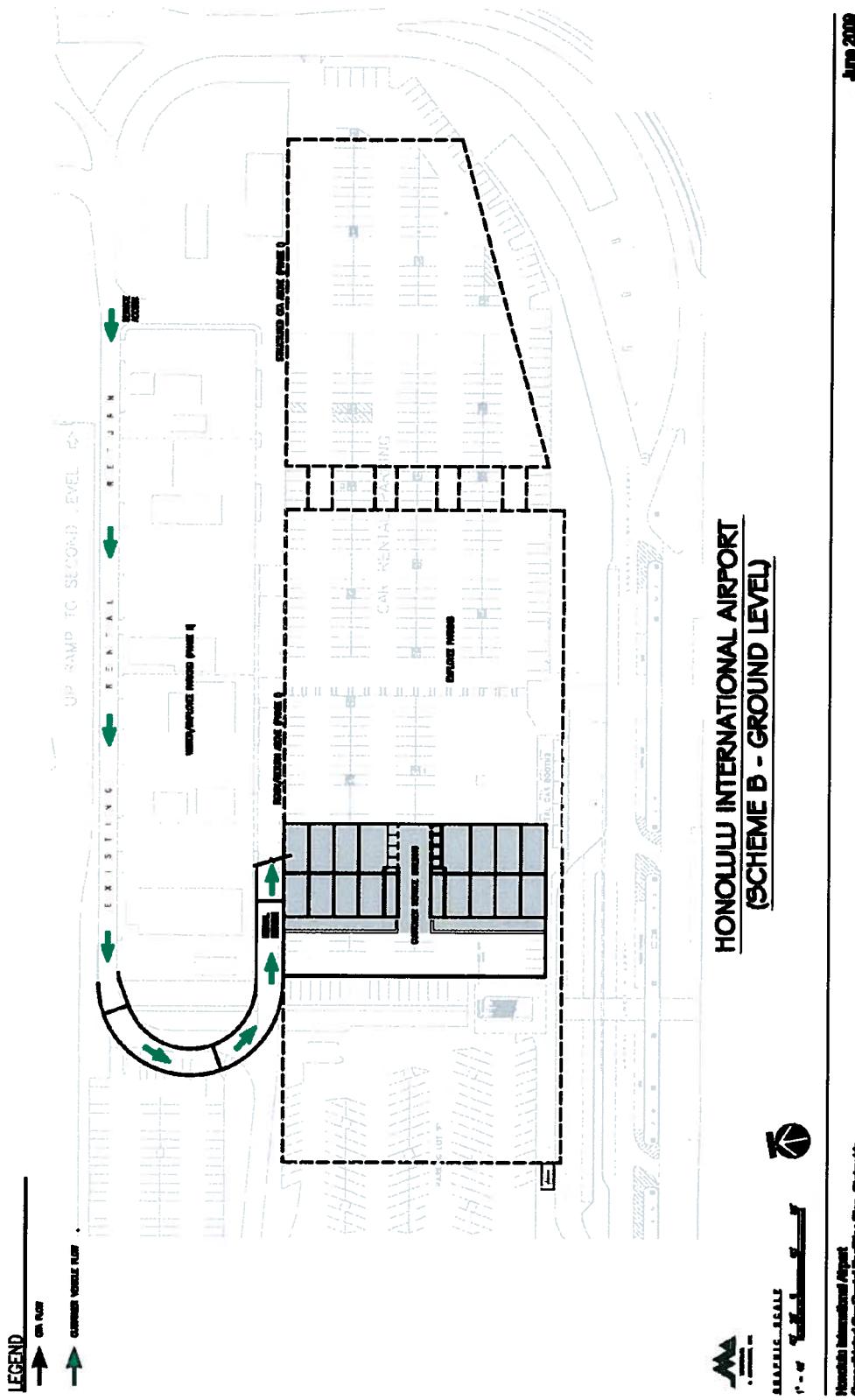


Honolulu International Airport

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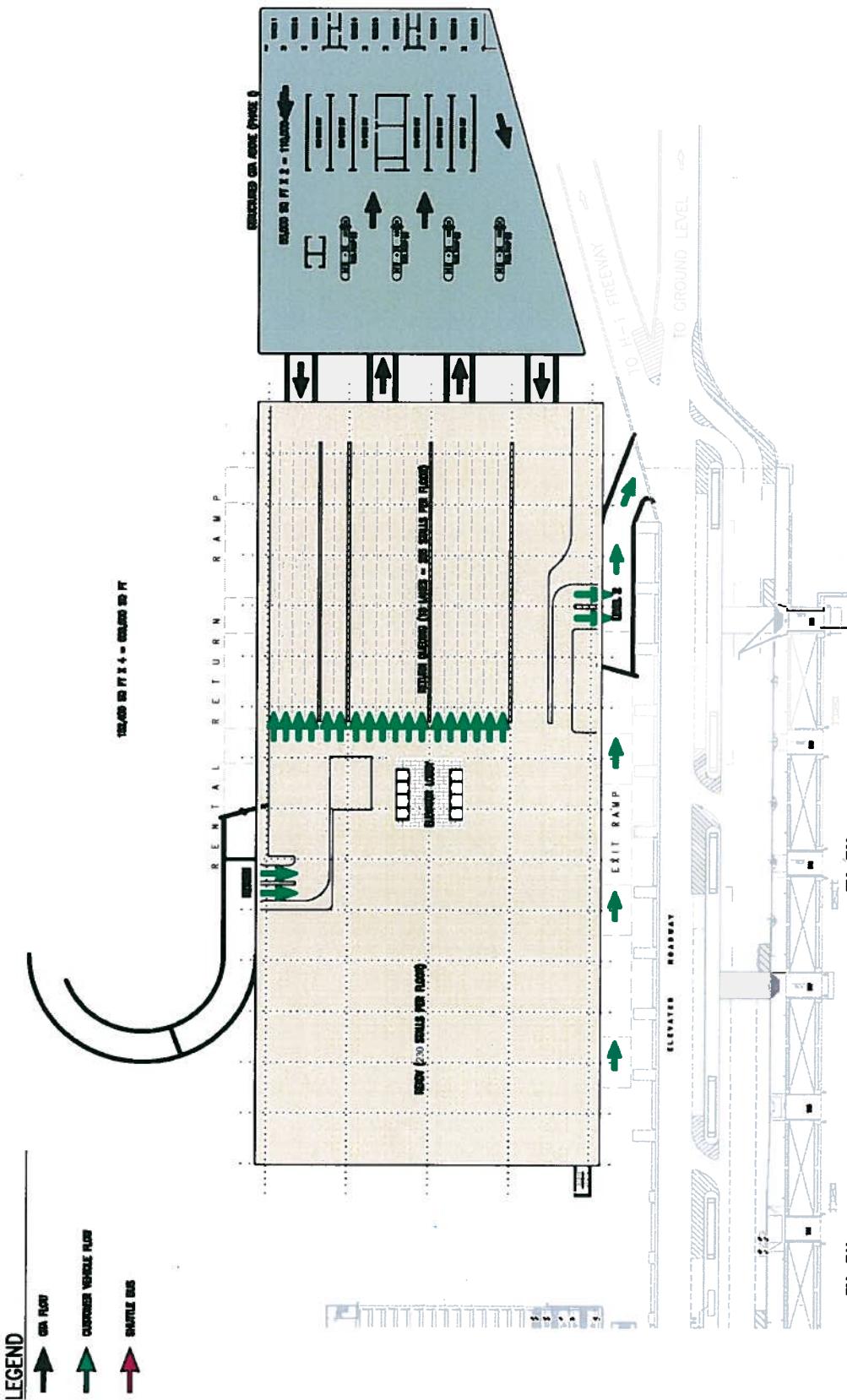
June 2009

Honolulu International Airport



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Honolulu International Airport

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Kahului Airport Overflow Vehicle Storage Lot

Conceptual Summary

- **Proposed project site location is the existing rental car vehicle overflow storage area.**
- **Conceptual scheme: paving, perimeter fencing, perimeter lighting and storm water detention for approximately 6000 vehicles.**



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Kahului Airport RAC Overflow Storage Lot

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Kahului Airport

Conceptual Summary

- **Proposed project site location is the entire existing visitor parking lot fronting the terminal.**
- **Conceptual scheme requires a two (2) level facility and is based on what the site limits will allow.**
- **Direct access is within close proximity of the existing airport terminal; therefore no bus shuttling is required to supplement operations.**
- **QTA Services/Shuttling occurs at ground level with the 2nd level dedicated for Ready/Return spaces. QTA, Pick-up & Return access points are segregated.**
- **Visitor & employee parking will be integrated at ground level, which is the balanced of 'un-used' project limits.**



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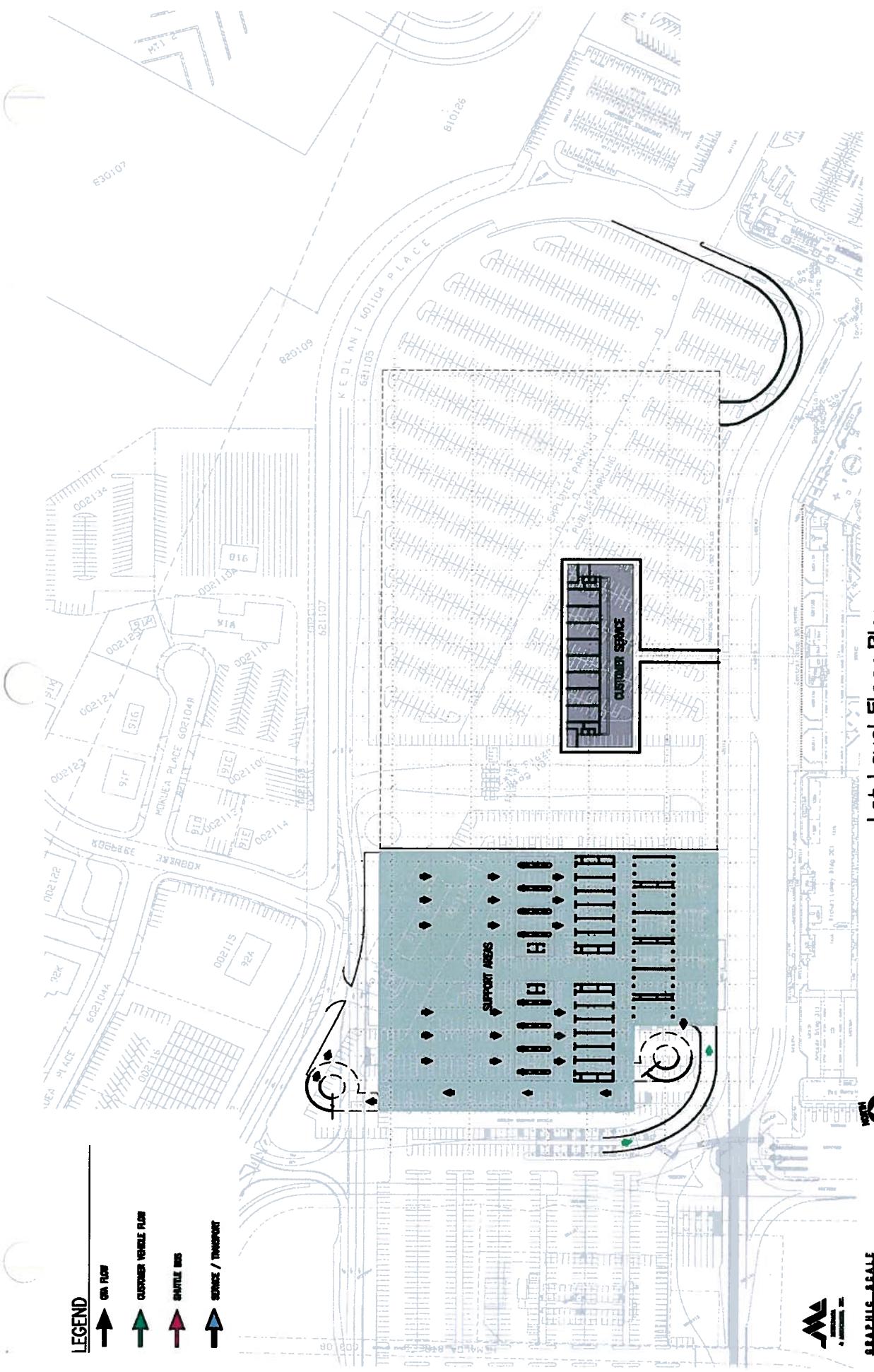


Kahului Airport

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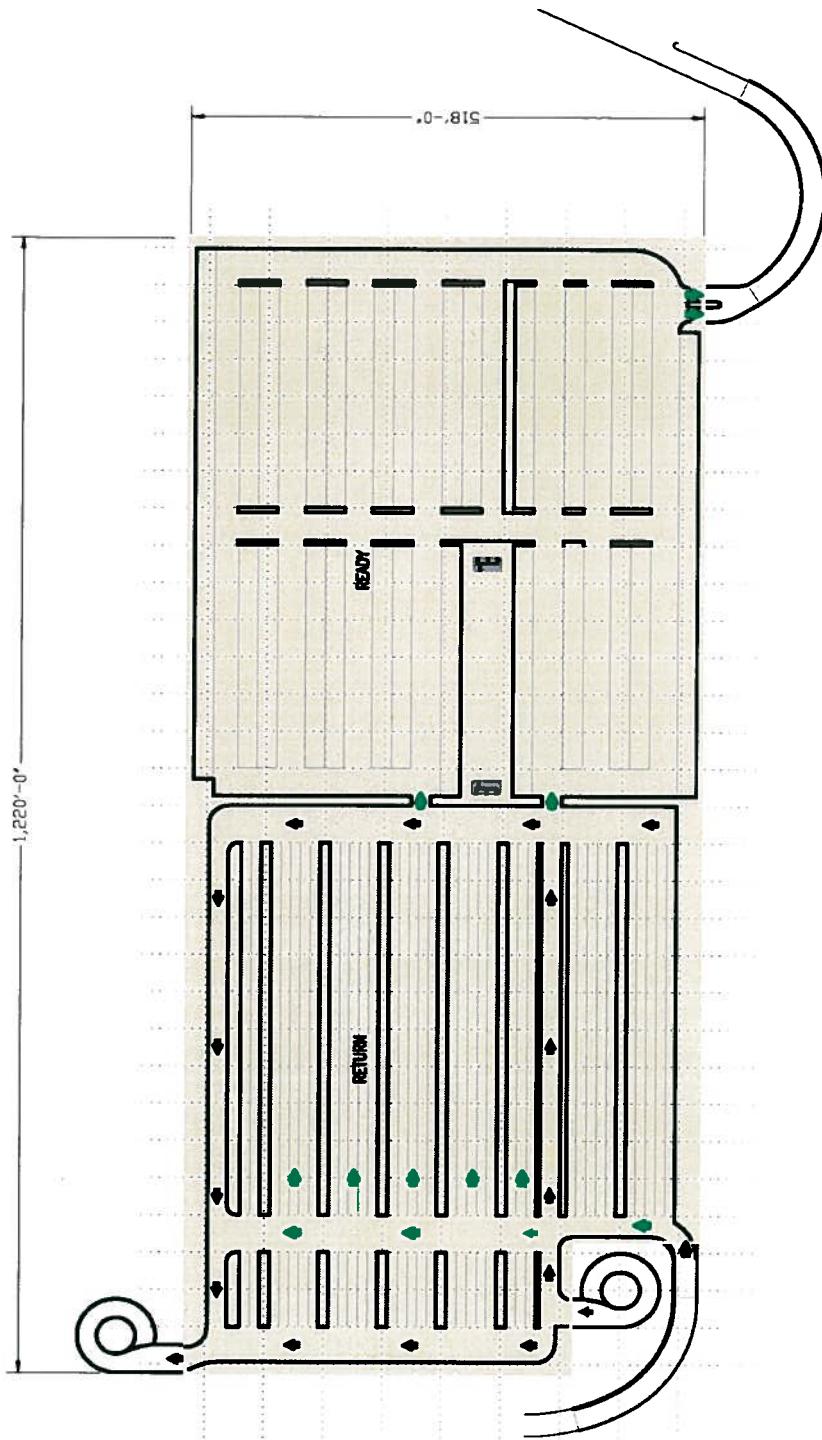
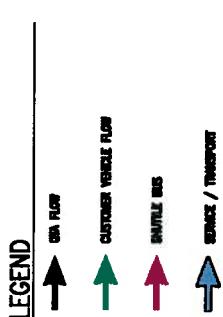


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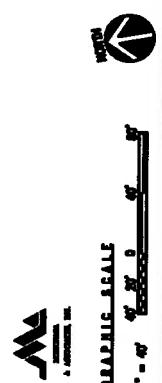
1st Level Floor Plan

Kahului Airport



2nd Level Floor Plan

Kahului Airport



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Lihue Airport

Conceptual Summary

- At-grade consolidated facility.
- Consolidated busing is between terminal and customer service building along Ahukini Road.
- Customer rental and return access via Kapule Highway.
 - Ready/ return spaces along southeast portion of site.
 - QTA & vehicle storage along northwest portion of site.

Lihue Airport



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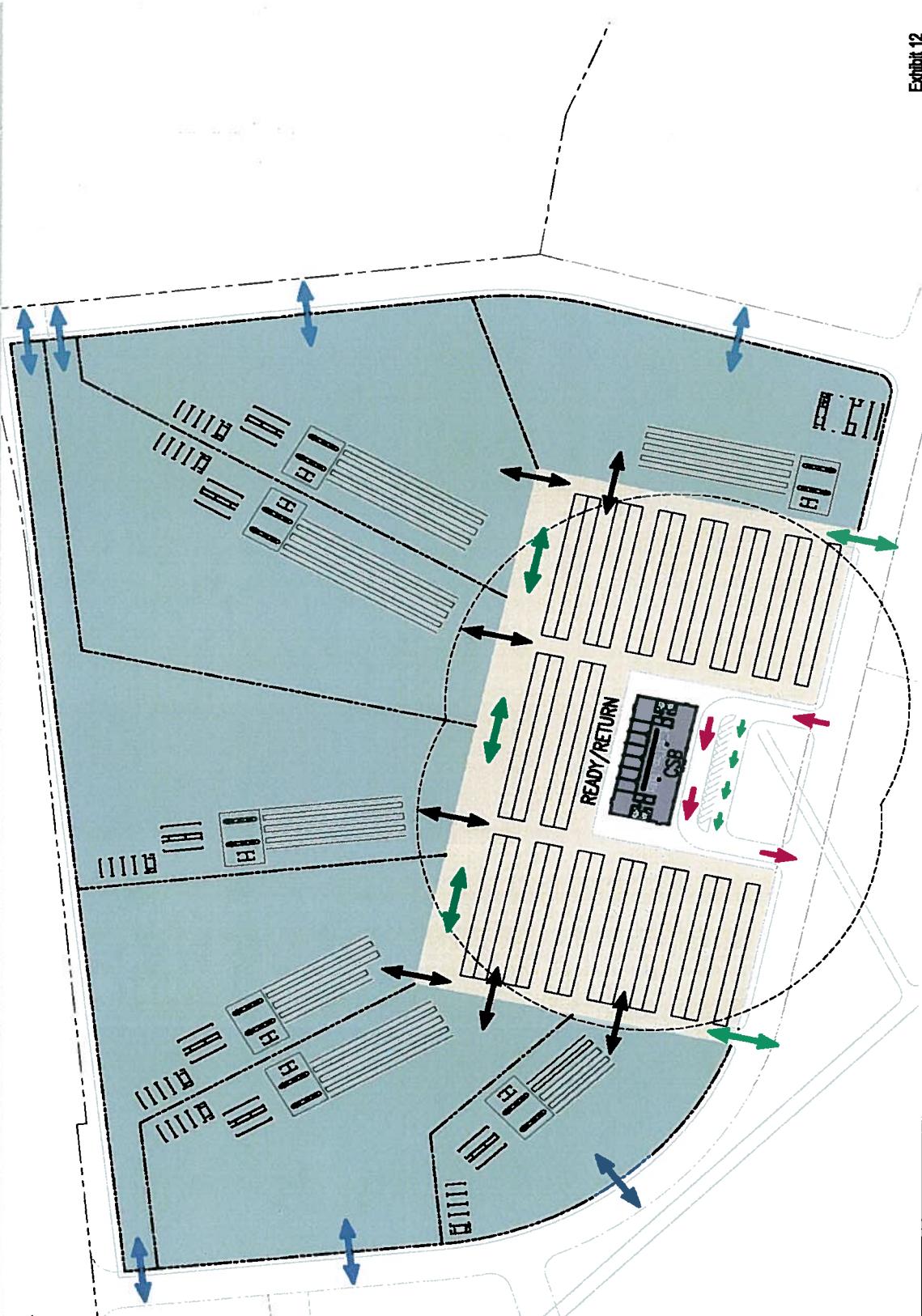
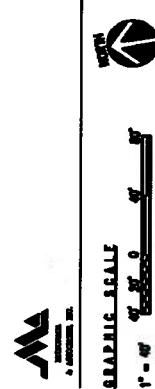


Exhibit 12
CONCEPTUAL LAYOUT
SITE PLAN

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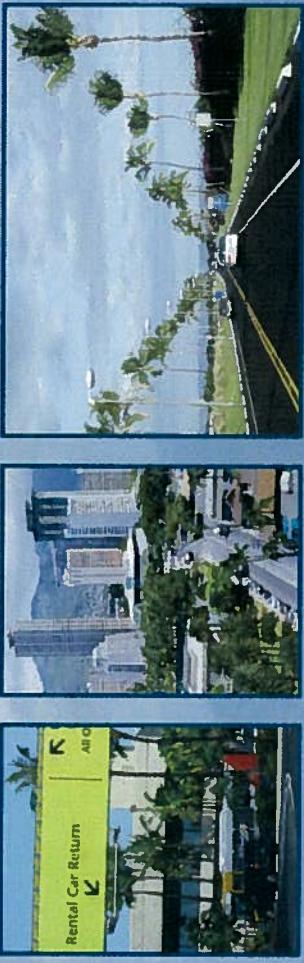
Lihue Airport

Mitsunaga & Associates, Inc.



Preliminary Rental Car CFC Sizing Analysis

26 August 2009



Overview



- Total Escalated Project Costs = \$480.6 million
 - CFC pay-as-you-go = \$212.0 million
 - Assumes a September 1, 2010 CFC increase
 - Bond proceeds = \$268.6 million

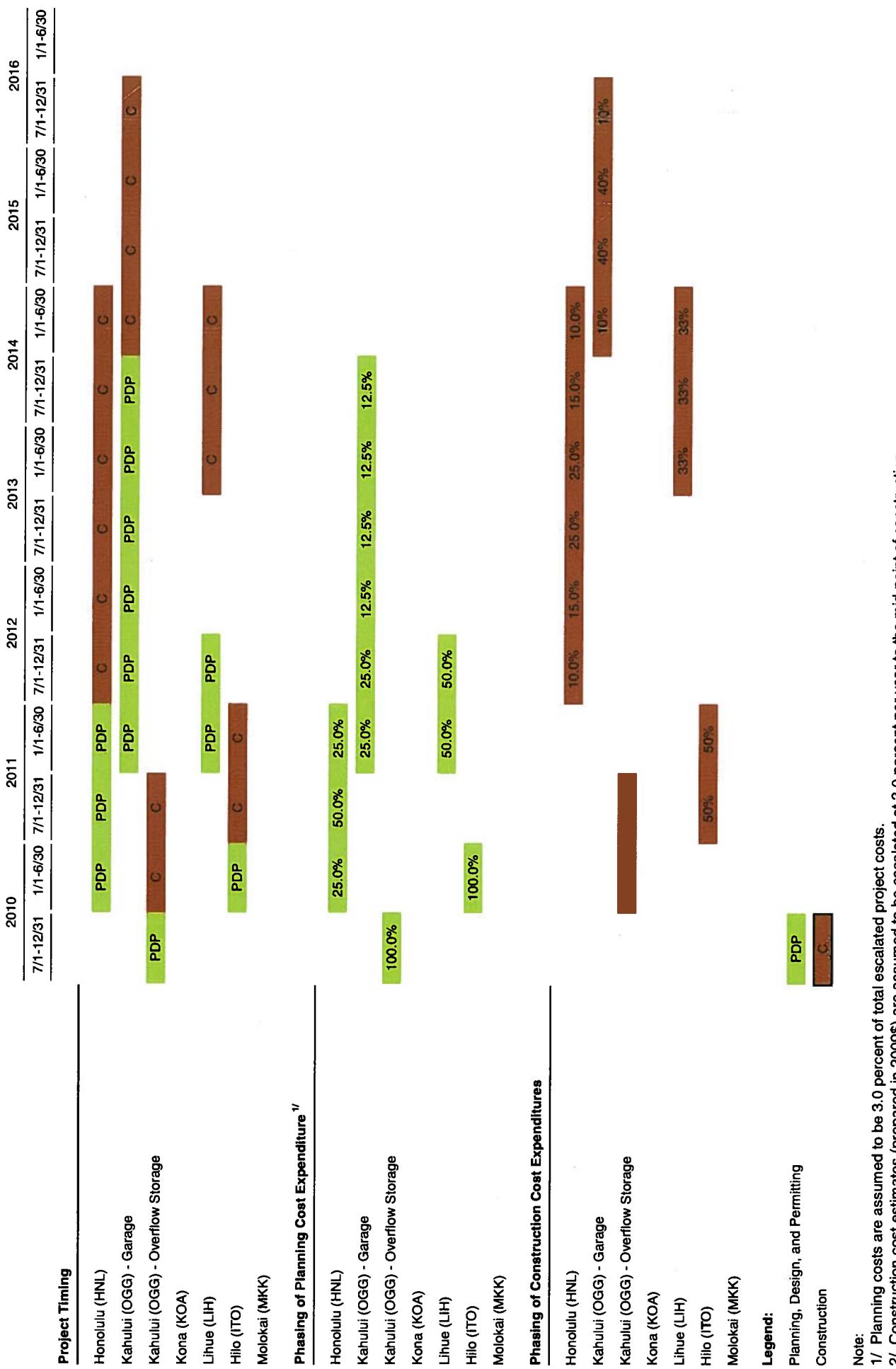
| Rental Car Projects | Estimated Project Costs (Current Dollars) | Total Escalated Project Costs |
|----------------------------------|---|-------------------------------------|
| Honolulu (HNL) - CONRAC | \$187,300 | \$229,400 |
| Kahului (OGG) - Overflow Storage | 5,200 | 6,000 |
| Kahului (OGG) - CONRAC | 150,000 | 184,500 |
| Kona (KOA) | 0 | 0 |
| Lihue (LIH) - CONRAC | 50,000 | 60,100 |
| Hilo (ITO) - To Be Determined | 500 | 600 |
| Molokai (MKK) | 0 | 0 |
| Total | \$393,000 | \$480,600 |

Overview



- Assumed Occupancy
 - HNL Garage – 6/30/2014
 - OGG Garage – 12/31/2015
 - OGG Overflow Storage – 12/31/2010
 - LIH Remote Site – 6/30/2014
 - ITO Ready Lot – 6/30/2011
- **Projected CFC Range = \$4.00-\$5.00 per transaction day**

Exhibit 1
Assumed Development Schedule
Fiscal Years Ending June 30



- Note:
- 1/ Planning costs are assumed to be 3.0 percent of total escalated project costs.
 - 2/ Construction cost estimates (prepared in 2009\$) are assumed to be escalated at 3.0 percent per year to the mid-point of construction.

Sources: State of Hawaii Department of Transportation Aviation Division, April 2009 (Project Timing); Ricondo & Associates, Inc., April 2009 (Cost Expenditures).
Prepared By: Ricondo & Associates, Inc., April 2009.

Actual CFC Collections



- Collections thru October 31, 2009 = \$11.9 million
- Average monthly amount (excl. Sep 2009)=\$870,000

Project Timing and Costs



| Airport | Total Escalated Project Cost | Planning Start | Planning Duration (mos) | Construction Start | Construction Duration (mos) | DBO |
|------------------------|------------------------------|----------------|-------------------------|--------------------|-----------------------------|----------|
| HNL - CONRAC | \$229,400 | 7/1/2009 | 18 | 4/1/2010 | 33 | 1/1/2014 |
| OGG - Overflow Storage | 6,000 | 1/1/2010 | 6 | 7/1/2010 | 12 | 7/1/2011 |
| OGG - CONRAC | 184,500 | 7/1/2010 | 36 | 7/1/2013 | 24 | 7/1/2015 |
| LIH - CONRAC | 60,100 | 1/1/2011 | 12 | 1/1/2013 | 18 | 7/1/2014 |
| ITO - To Be Determined | 600 | 7/1/2010 | 6 | 1/1/2011 | 12 | 1/1/2012 |

* Project costs escalated to mid-point of construction (3% per year)

CFC Cash Flow



- Costs funded on a pay-go basis, whenever possible
- Bond financings
 - FY 2012 - \$25.3 million in project costs
 - Bond funding requirement through FY 2013
 - FY 2014 - \$202.8 million in project costs
 - Bond funding requirement FY 2014-FY 2016
- CFC Funded O&M, Debt Service and Coverage
 - .25x rolling coverage and .25x hard coverage
- Hard coverage funds R&R Fund up to \$5 million, then excess is available for project costs